

**Marion County, Indiana**  
**2006 Pay 2007 Budget Order**

An analysis of the data with the 2006 Pay 2007 Budget Order for Marion County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Marion County has one cross-county unit: Cumberland Town crosses from Hancock County, the major county, into Marion County.

Marion County has one conservancy district, Ben Davis Conservancy. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2007 on a county-wide basis was approximately \$145.6 million, or 11.30%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the county unit (\$51,863,504), the IPS (\$36,660,699), the Indianapolis Fire Special Service (\$12,558,440), and MSD Washington Twp. Schools (\$7,909,160). The largest decreases in levy were due to Washington Township (\$11,453,119).

Marion County

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$113,358,288	\$117,598,781	\$4,240,493	3.74%
Cumulative Cap Development	5,189,219	6,264,775	1,075,556	20.73%

Marion County Welfare

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$41,875,791	\$68,778,282	\$26,902,491	64.24%
County Welfare Bond	15,044,712	33,829,786	18,785,074	124.86%

Total County levy increase of \$51,863,504 or 26.06%. Welfare F&C levy increased to pay for increased services as well as expanded services. Welfare Bond levy increased to pay for previous year's operating deficits.

Decatur Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	\$1,988,943	\$3,815,638	\$1,826,695	91.84%
Emergency Fire Loan	1,878,388	2,321,637	443,249	23.60%

Total Township levy increase of \$2,265,703 or 48.78%. Township received a levy increase for fire protection of \$1,750,000.

Franklin Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	\$4,050,667	\$5,113,709	\$1,063,042	26.24%
Fire Building Debt	247,133	1,089,403	842,270	340.82%
Fire Equipment Debt	137,082	391,469	254,387	185.57%

Total Township levy decrease of \$2,191,729 or 31.86%. The Township fire fund received levy increases for fire protection (\$564,640), pension payments (\$131,474), shortfall appeal (\$83,550), and three-year growth appeal (\$122,716).

Perry Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Payment	\$929,184	\$1,570,423	\$641,239	69.01%
Fire Pension	191,109	150,087	-41,022	-21.47%
Fire	6,725,052	7,043,111	318,059	4.73%

Total Township levy increase of \$983,368 or 11.06%. Township received an emergency fire loan in 2007.

Pike Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Payment	\$1,405,417	\$1,965,585	\$560,168	39.86%
Fire	10,189,277	11,598,038	1,408,761	13.83%
Cumulative Fire	1,370,282	754,741	-615,541	-44.92%

Total Township levy increase of \$1,353,388 or 10.44%. Township received a fire protection levy increase of \$1,000,000 in 2007. Township received an emergency fire loan in 2007.

Washington Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire Pension	\$171,405	\$-	-\$171,405	-100.00%
Township Assistance	505,610	418,217	-87,393	-17.28%
Fire	10,035,464	-	-10,035,464	-100.00%
Cumulative Fire	1,166,657	-	-1,166,657	-100.00%

Total Town levy decreased by \$11,453,119 or 94.58%. Township consolidated fire protection with IFD. All fire related levies were eliminated.

### Wayne Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Special Fire Protection Territory	\$12,167,631	\$17,846,989	\$5,679,358	46.68%

Total Township levy increase of \$5,686,011 or 40.53%. Fire territories didn't have levy limits in 2007.

### Clermont Civil Town

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Special Fire Protection Territory Genl	\$-	\$279,935	\$279,935	-%
Spec Fire Protect Territory Equip	-	16,134	16,134	-%

Total Town levy increase of \$296,799 or 161.72%. Town included in Fire Protection Territory for 2007.

### Indianapolis Fire Special Service

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$34,635,498	\$12,769,200	-21,866,298	-63.13%
Consolidated Fire Service District	-	33,089,296	33,089,296	-%

Total levy increase of \$12,558,440 or 36.26%. New consolidated fire district created to include IFD and the former Washington Township Fire Department.

### Indianapolis Consolidated County

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Park General	\$18,021,474	\$17,630,867	-\$390,607	-2.17%
County General	22,365,936	20,942,249	-1,423,687	-6.37%
Park Debt	201,133	3,132,388	2,931,255	1,457.37%
MECA Debt	4,867,407	5,996,285	1,128,878	23.19%

Total Consolidated County levy increase of \$2,068,440 or 4.08%.

### MSD Decatur Township Schools

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$5,910,216	\$7,474,663	\$1,564,447	26.47%
School Pension Debt	692,620	611,594	-81,026	-11.70%
Capital Projects	3,075,065	3,655,002	579,937	18.86%
Transportation	1,689,825	1,990,480	300,655	17.79%

Total School levy increase of \$2,753,522 or 14.15%. School received a transportation levy appeal increase of \$234,060. School was approved for \$85M lease rental in 2006. Payments commenced in 2007.

### Franklin Township Community Schools

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,872,689	\$14,785,190	\$912,501	6.58%
Debt Service	13,406,902	15,764,878	2,357,976	17.59%
Capital Projects	5,484,642	6,199,444	714,802	13.03%
Transportation	3,153,766	3,476,093	322,307	10.22%

Total School levy increase of \$4,338,412 or 11.63%. School received a transportation levy appeal increase of \$126,934. School also received a shortfall appeal in the amount of \$69,563. School was approved for \$33M lease rental in 2006. Payments commenced in 2007.

### MSD Washington Township Schools

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$39,849,807	\$42,239,530	\$2,391,723	6.00%
Debt Service	3,423,943	7,159,587	3,735,644	109.10%
Capital Projects	10,533,072	10,437,960	-95,112	-0.90%
Referendum	5,558,349	6,773,497	1,215,148	21.86%

Total School levy increase of \$7,909,160 or 11.81%. School received a transportation levy appeal increase of \$90,140. School also received a shortfall appeal in the amount of \$127,057. School received a PL 2-2006 levy increase for transportation for \$184,969. School was approved for \$2M General Obligation Bonds in 2006, with payment in 2007. The \$0.10 increase in referendum rate was offset by a corresponding decrease of \$0.10 in CPF rate.

### Indianapolis Public Schools

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$14,615,306	\$43,446,147	28,830,841	197.26%
School Pension Debt	1,649,951	4,431,665	2,781,714	168.59%

Total School levy increase of \$36,660,699 or 20.96%. School received a transportation levy appeal increase of \$571,350. School also received a shortfall appeal in the amount of \$659,851. School was approved for lease rental in 2003/2004 where the payment increased from \$10M in 2006 to \$18M in 2007. Also, IPS was approved for \$200M lease rental in 2006/2007 that had a \$9.4M payment in 2007. IPS increased their debt operating balance by \$4.8M in 2007.

No units in the County exceeded the working maximum levy for 2007.

### **Changes in Real Property Gross Assessed Values**

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	17.10%
Mining	44.22%
Industrial	12.19%
Commercial	0.75%
Residential	21.26%
Exempt	23.84%
Utility	-0.98%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2006 Ratio</u>	<u>2007 Ratio</u>
Agriculture	0.19%	0.20%
Mining	0.00%	0.00%
Industrial	4.35%	4.24%
Commercial	28.02%	24.51%
Residential	62.51%	65.83%
Exempt	4.59%	4.93%
Utility	0.33%	0.29%

As can be seen from the analysis, a shift from industrial, commercial, and utility property to residential, agricultural, and exempt occurred. The total shift was approximately 3.8%, with 3.3% going to residential.

### Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
INDPLS CITY - CENTER TWP	0.80%	4.17%	3.34%	6.16%	8.79%	18.39%
BEECH GROVE CITY - CENTER TWP	25.55%	23.11%	-1.94%	-0.83%	0.50%	6.79%
DECATUR TOWNSHIP - SANITATION	8.37%	17.84%	8.74%	10.73%	12.43%	17.80%
INDPLS CITY - DECATUR TWP	3.01%	6.50%	3.38%	6.25%	8.88%	18.36%
INDPLS-DECATUR TWP-POLICE-OUTS	-10.41%	-3.66%	7.53%	9.19%	11.08%	17.28%
INDPLS-DECATUR TWP-POLICE & FI	46.62%	49.94%	2.26%	3.41%	5.17%	12.29%
FRANKLIN TWP-SANITATION	15.92%	15.68%	-0.21%	1.84%	2.78%	6.94%
BEECH GROVE CITY-FRANKLIN TWP	3.03%	1.03%	-1.94%	-0.82%	0.50%	6.71%
BEECH GROVE-FRANKLIN TWP-FRANK	-1.83%	-3.58%	-1.78%	-0.23%	1.02%	7.16%
INDPLS-FRANKLIN TWP-FIRE-OUTSI	859.78%	835.14%	-2.57%	-9.96%	-1.08%	5.99%

FRANKLIN TWP- CONS COUNTY	4.81%	4.60%	-0.21%	1.82%	2.78%	6.94%
LAWRENCE TWP- SANITATION	17.93%	9.21%	-7.39%	-5.66%	-4.80%	0.06%
INDPLS- LAWRENCE TWP	24.82%	29.02%	3.37%	6.23%	8.84%	18.29%
LAWRENCE CITY INDPLS-	20.72%	10.08%	-8.81%	-7.43%	-6.29%	-0.52%
LAWRENCE TWP- POLICE & F	6.31%	-0.62%	-6.53%	-4.92%	-3.69%	2.84%
INDPLS- LAWRENCE TWP- FIRE-SAN	41.65%	31.98%	-6.83%	-5.03%	-3.84%	2.01%
PERRY TWP- SANITATION	12.55%	11.18%	-1.21%	0.61%	1.98%	7.68%
INDPLS-PERRY TWP	11.88%	15.65%	3.37%	6.23%	8.86%	18.41%
BEECH GROVE - PERRY TWP	12.57%	10.35%	-1.97%	-0.85%	0.47%	6.70%
SOUTHPORT- PERRY TWP	9.43%	7.82%	-1.47%	0.35%	1.92%	8.69%
BEECH GROVE - PERRY SCH	17.68%	16.00%	-1.43%	-0.06%	1.49%	8.70%
HOME CROFT - PERRY TWP	6.52%	4.55%	-1.85%	-0.20%	1.33%	7.79%
INDPLS-PERRY TWP-POLICE- SANITA	-30.23%	-31.28%	-1.51%	0.05%	1.52%	7.98%
INDPLS-PERRY TWP-POLICE & FIRE	15.10%	12.31%	-2.43%	-1.02%	0.62%	7.85%
INDPLS-PERRY TWP-FIRE-SAN	55.33%	51.85%	-2.24%	-0.50%	0.94%	7.57%
PIKE TWP- OUTSIDE SANITATION	8.18%	9.58%	1.29%	3.18%	4.71%	10.83%
INDPLS-PIKE TWP CLERMONT - PIKE TWP	28.86%	33.23%	3.39%	6.27%	8.90%	18.43%
INDPLS-PIKE TWP-POLICE & FIRE-	19.29%	37.60%	15.35%	19.42%	23.37%	33.52%
INDPLS-FIRE-SAN PIKE TWP-CONS COUNTY	2.59%	2.16%	-0.42%	0.96%	2.77%	10.32%
WARREN TWP- SAN	39.45%	39.48%	0.02%	1.66%	3.40%	10.27%
INDPLS-WARREN TWP	6.22%	7.59%	1.29%	3.18%	4.71%	10.83%
BEECH GROVE - WARREN TWP	2.29%	9.46%	7.01%	9.40%	11.02%	17.02%
WARREN PARK- WARREN TWP	10.45%	14.20%	3.39%	6.26%	8.89%	18.39%
CUMBERLAND TOWN-WARREN TWP	-4.74%	-6.60%	-1.96%	-0.84%	0.48%	6.69%
INDPLS-WARREN TWP-POLICE- SANIT	10.82%	18.53%	6.95%	9.33%	10.82%	16.45%
INDPLS-WARREN TWP-POLICE & FIR	5.72%	10.67%	4.69%	6.41%	9.67%	18.76%
INDPLS - FIRE WASHINGTON TWP-SAN	-40.00%	-36.45%	5.92%	7.91%	9.70%	16.50%
INDPLS- WASHINGTON TWP	33.08%	38.15%	3.81%	5.52%	7.55%	15.14%
CROWS NEST- WASHINGTON TWP	14.23%	19.56%	4.66%	6.72%	8.66%	15.52%
	21.12%	15.93%	-4.29%	-0.84%	0.68%	8.00%
	29.92%	34.22%	3.31%	6.16%	8.78%	18.27%
	38.91%	32.96%	-4.29%	-0.93%	0.68%	8.00%

HIGHWOODS -						
WASHINGTON						
TWP	58.23%	51.44%	-4.29%	-0.88%	0.60%	7.95%
NORTH CROWS						
NEST -						
WASHINGTON	28.98%	23.45%	-4.29%	-1.50%	0.69%	8.01%
ROCKY RIPPLE -						
WASHINGTON						
TWP	20.24%	14.22%	-5.01%	-2.04%	0.01%	8.62%
SPRING HILL -						
WASHINGTON						
TWP	38.41%	32.48%	-4.29%	-1.02%	0.68%	8.00%
WILLIAMS CREEK						
- WASHINGTON						
TW	22.04%	16.34%	-4.67%	-1.42%	0.15%	7.64%
MERIDIAN HILLS -						
WASHINGTON TW	38.56%	32.26%	-4.55%	-1.27%	0.31%	7.79%
WYNNEDALE -						
WASHINGTON						
TWP	-12.87%	-16.49%	-4.15%	-0.76%	0.76%	8.10%
INDPLS-						
WASHINGTON						
TWP-POLICE &	50.10%	43.40%	-4.47%	-1.72%	0.35%	9.32%
INDPLS-						
WASHINGTON						
TWP-FIRE	189.29%	176.19%	-4.53%	-1.14%	0.38%	8.85%
WAYNE TWP -						
SAN	3.61%	10.07%	6.24%	7.63%	9.14%	14.66%
INDPLS - WAYNE						
TWP	16.70%	20.63%	3.36%	6.21%	8.84%	18.36%
CLERMONT -						
WAYNE TWP	6.86%	21.98%	14.15%	16.52%	19.35%	27.13%
SPEEDWAY -						
WAYNE TWP	6.48%	-0.50%	-6.55%	-5.19%	-4.50%	1.86%
WAYNE TWP -						
BEN DAVIS						
CONSERVA	8.61%	15.38%	6.24%	7.63%	9.14%	14.66%
INDPLS - WAYNE						
TWP - POLICE -	-18.35%	-14.04%	5.27%	6.42%	8.09%	14.36%
INDPLS - WAYNE						
TWP - POLICE &	1.76%	1.98%	0.22%	0.86%	2.17%	8.30%
INDPLS-WAYNE						
TWP-FIRE	54.09%	55.12%	0.67%	-16.64%	2.84%	7.89%
INDPLS-WAYNE						
TWP-BEN DAVIS						
CON	4.73%	5.43%	0.67%	1.43%	2.80%	7.98%
WAYNE TWP-						
CONS COUNTY	8.54%	15.31%	6.24%	7.63%	9.14%	14.66%
Average	11.24%	11.30%	0.68%	2.19%	4.46%	11.43%

Downward pressure on tax rates came from increases in Assessed Value due to trending.

Upward pressure on tax rates came from increases in tax levies, especially all the new debt, which doesn't have PTRC or homestead credits applied to it. Also, upward pressure came from the increase in the Homestead Deduction and the decrease in the Homestead Credit rates.

The county was not an early adopter of the inventory deduction, which would cause an increase in the Homestead net tax rates.

**Assessment Status**

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

**Percent of Parcels with Identified Assessed Value Change.**

<u>Property Class</u>	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	9.7%	7.8%	4.8%	15.0%	42.7%	19.9%
Industrial	11.5%	3.4%	8.5%	16.3%	33.0%	27.2%
Residential	9.6%	13.6%	14.9%	41.7%	17.8%	2.4%

**TIF Neutralization Worksheets**

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.